



Foreign Agricultural Service

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Japan

Solid Wood Products

Housing Market Update - March 2002

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Report Highlights:

Due to Japan's continuing economic recession, housing starts in 2001 totaled 1,173,858, down 4.6% from the previous year. The share of wood-framing construction reached 44.5% of total housing starts. The year-to-date housing starts through March 2002 totaled 258,836, down 0.3% from the same term of last year, showing some signs improvement.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Tokyo [JA1], JA

Due to its recessionary economy, Japan's housing starts declined 4.6 % from previous year to 1,173,858 units in 2001. During the first quarter of this year, the number of housing starts was 258,836, down 0.3 % from the same term of last year.

Some trends include the following.

As of the end of 2001

- 1,173,858 housing starts in 2001 represents the first time in 3 years the number has fallen below the numerical landmark of 1,200,000 a year.
- All of the market sectors, with the exception of rental housing, declined in 2001 from the previous year.
- The “custom housing “ sector, critical to wood consumption, continued to decline, posting a double-digit decline.
- Rental housing starts in December 2001 totaled 38,377 and represented consecutive month-to-month growth for 6 months in a row.
- Prefabricated housing starts in December 2001 totaled 15,275, resulting in the consecutive month-to-month decline for 8 months in a row, and the 2x4 platform and wood framed housing starts during the same month totaled 6,719 in the first month-to-month decline in 3 months.
- The combined floor space of all housing starts in 2001 totaled 109,837,000 square meters, down 8.4% from the previous year. The wood-framed share of the total floor space of all starts was 57,282,000 square meters (52.1%). This was down 11.2% from the previous year, showing a continuing downtrend in the average size of a new home constructed.

As of the end of March 2002

- Housing starts in March 2002 totaled 88,865 in the first downturn in 3 months this year, resulting in a seasonally-adjusted annual housing starts rate of 1,111,000 units for 2002.
- Prefabricated housing starts totaled 10,470 units in March 2002, down 11.1% from a year earlier. The 2x4 platform and wood framed housing starts totaled 5,582 in March, down 5.8% from the same month a year earlier.
- Wood-framing share of all housing starts in March was 39,190 (44.1%), down 8.8% from a year earlier.

Japanese Housing Starts (Units)				
Time Frame	2001	% Change (01/00)	Jan.-Mar. 2002	% Change (02/01)
Total Starts	1,173,858	- 4.6	258,836	- 0.3
-Custom House	386,814	- 14.3	80,694	- 10.9
-Rental House	438,123	+ 4.0	91,682	+ 4.6
-Corporate	9,767	- 16.5	2,416	+ 7.6
-Built-for-sale	338,965	- 1.8	84,044	+ 6.1
Wood-Framed	522,823	- 5.9	107,680	- 7.4
Wood Share (%)	44.5 %	- 0.7 points	41.6 %	- 3.2 points
By Framing Method (Units)				
-Condominiums	215,301	- 1.1	57,386	+ 15.0
-Prefab. House (Wood-Framed)	165,257 (27,186)	- 5.6 (-10.4)	34,854 (5,699)	-7.0 (-15.1)
-2 x 4 Wooden	77,235	- 2.4	15,938	- 2.4
By Floor Space (1,000 square meters)				
All starts	109,837	- 8.4	24,022	- 4.2
Wood-Framed	57,282	- 11.2	11,912	- 8.3
Wood Share(%)	52.1 %	- 1.7 points	49.6 %	- 2.2 points

(Source : Ministry of Land, Infrastructure and Transport)

End of report.